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ABSTRACT

A study identified and analyzed adult marketing education services that have been and are currently being provided for the small business sector. The methodology involved a literature review and a mail survey of all secondary and postsecondary marketing education state supervisors listed in the 1985-86 State Supervisors Directory. Of the 54 supervisors listed, 50 responded, yielding a 93% return rate. Findings indicated that a slight majority of states provided adult marketing education offerings through both secondary and postsecondary programs; a substantial number provided these offerings only through postsecondary programs. A majority offered adult marketing education specifically for small business owners. Types of offerings being provided included creating a business image, employee supervision, keeping business records, tax matters, inventory control, computer use, human relations training, and sales training. A majority of respondents believed marketing education should provide entrepreneurship training and that provision of adult offerings for small business owners could improve the overall image of secondary and postsecondary marketing education programs. Study results indicated a need to revitalize the national reporting system of enrollments that was suspended in 1983-84. More emphasis on adult marketing education was needed in these areas: securing and determining capital needs, selecting employees, estimating small business potential, identifying a market, developing a sales promotion plan, training employees, insurance matters, and credit collections. Four tables are included. (YLB)

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Adult Marketing Education for the Small Business Sector: A Status Report

Paper Presented at the

Marketing Education Research Dissemination Seminar

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Adult Marketing Education for the Small Business Sector:

A Status Report

The small business enterprise is a significant contributor to the economic development of the United States. Approximately 524,656 business firms are started each year in this country, of which 75% are small businesses. Ninety-eight percent of all U. S. Business entities are small business firms and these small firms employ 58% of the nation's work force. Furthermore, small businesses generate 39% of the U. S. Gross National Product. (Small Business Administration, 1983).

Unfortunately, the economic and social contributions made by the small business sector do not come by easily. The U. S. Small Business Administration (1983) reports that nearly 55% of all businesses fail within their first five years and 90% eventually fail.

The causes for business failures can be categorized as external and internal. Dandridge and Sewall (1978) conducted a study which identified financing, government legislation, and credit collections as major problems faced by small business owners. The Small Business Administration (1983) has determined that 93% of all business failures are a direct result of poor management. Mayer and Golstein (1961) discovered that many problems and failures of small businesses were due to managerial incompetence. From these and other studies, it has been concluded that many entrepreneurs are not fully prepared to establish and/or operate their own small businesses.

Because of the problems and failures that many small business owners have been experiencing, programs relative to education, training, and assistance have been and still are being developed for this group. Governmental and educational agencies are the primary leaders in developing these programs.

Marketing education is a prime example of an educational program that has been providing education and training in the area of entrepreneurship.

Currently, federally funded marketing education (ME) programs are being offered at several levels of instruction. Although entrepreneurship is addressed at each level, the adult education component of marketing education has the greatest potential for directly serving entrepreneurs. Unfortunately, each state in this country has a unique delivery system with regards to adult marketing education. Some states provide adult ME services through either their secondary programs or their postsecondary programs, while others provide these services through both programs. Furthermore, one can find inconsistencies from state to state relative to who is responsible for delivering courses and services, the priority given to these services, and the types of services that are being provided for entrepreneurs. These inconsistencies have impeded the growth of adult marketing education that can and should be provided for small business owners. Therefore, a need existed to identify and analyze, on a national basis, adult marketing education services that have been and are currently being provided for the small business sector.

Purpose and Objectives

The purpose of this study centered around the identification and analysis of adult marketing education services that have been and are currently being provided for the small business sector. The specific objectives of the study were to:

1. Determine the trends that have been established in the history of adult marketing education relative to providing services for the small business sector.
2. Determine which level(s) of marketing education is/are primarily responsible for providing adult marketing education services for the small business sector.

3. Identify the types of adult marketing education services that have been and are currently being provided for the small business sector throughout the country.
4. Identify the beliefs of secondary and postsecondary marketing education state supervisors relative to providing services for the small business sector.

Methods and Procedures

Methodology

The first step in the research procedures was to conduct a thorough review of the literature. Secondary data were used to help determine the trends that have been established in the history of adult marketing education relative to providing services for the small business sector. A mail survey was also conducted to help determine the trends as well as to meet the remaining objectives that have been previously stated.

Research Population

The population for the study consisted of all the secondary and postsecondary marketing education state supervisors that were listed on the 1985-86 State Supervisors Directory. This directory was published by the U.S. Department of Education, Office of Vocational and Adult Education. Since the population was small (54 supervisors) and therefore manageable, the entire population was surveyed.

Research Instrument and Data Collection

After completing the review of literature, a research instrument was developed to assist in collecting data. The instrument that was used contained three sections. The first section collected general information. The second section collected information regarding types of offerings provided for the small business sector. Finally, the third section collected information relative to the state supervisors' beliefs. Once the instrument was developed, a pilot study was conducted with a group of assistant state supervisors. The pilot study helped determine the face validity of the

overall instrument. The reliability of the belief section of the instrument was determined by running a test for Cronbach alpha. A coefficient of .89 was obtained for this section.

Survey participants were sent a survey instrument, a self-addressed stamped envelope, and a cover letter explaining the importance of the study and the importance of their contributions. With this initial mailing, two follow-up mailings, and follow-up telephone calls, 50 survey instruments were returned. This yielded a 93% response rate.

Data Analysis

Descriptive statistics were used with the data collected by the survey. Percentages of the responses for items in sections one and two of the instrument were determined and analyzed. Means and standard deviations were determined and analyzed for each item in section three.

Results, Conclusions, and Recommendations

Results

Very little information relative to past adult marketing education offerings for the small business sector was found in the literature. When secondary data were found, it related to the overall enrollment of adult marketing education. This enrollment does indirectly reflect the trends for providing adult marketing education for the small business sector and is, therefore, reported in Table 1 (see appendix). The breakdown of this enrollment by states was only obtainable for 1978-79. This breakdown revealed that nearly 60% of the enrollment for that year came from only six states (Lynch, 1983). These states included California, Florida, North Carolina, Ohio, Texas, and Virginia. Most states reported very little or no enrollment in adult marketing education. The data also showed that adult enrollment in marketing education has dropped from approximately 82.7% of the total

marketing education enrollment in 1963-64 to 36.7% in 1978-79. Adult enrollment figures were not available after 1978-79. The reporting of all marketing education enrollment figures was suspended by the U.S. Department of Education in 1983-84.

As presented in Table 2 (see appendix), a slight majority of the respondents were supervisors who were responsible for supervising both secondary and postsecondary marketing education programs. There were very few who supervised postsecondary programs only, and a substantial number who supervised secondary programs only. Table 2 further characterizes the respondents with a majority of the supervisors working alone. By combining the last three categories under "numbers of assistants," 42% of the respondents were supervisors who had one or more assistant(s). As for which level(s) provide adult marketing education, a slight majority of the states provide adult offerings through both their secondary and postsecondary programs. A substantial number of states provide these offerings only through their postsecondary programs. Very few states provide adult offerings only through their secondary programs (see Table 2). Finally, as illustrated in Table 2, a majority of the states offer adult marketing education specifically for small business owners.

With regards to the types of adult marketing education offerings being provided specifically for small business owners, as well as, to past and current trends, Table 3 (see appendix) illustrates several results. The items that received a large majority of responses in the "currently offer" column included creating a business image, employee supervision, keeping business records, tax matters, inventory control, computer use, human relations training, and sales training. By combining the responses in the "offered in past only" and "have never offered" columns, the items that received a majority of the responses included securing capital needs, employee selection,

and estimating the potential of a small business. The remaining items, identifying and defining a market, determining capital needs, developing a sales promotion plan, employee training, insurance matters, and credit collections, received a slight majority of the responses in the "currently offer" column. However, this also means that a substantial number of the responses were in the other two columns.

As presented in Table 4 (see appendix), a majority of the respondents believed that marketing education should provide offerings for adults who are interested in becoming entrepreneurs. A majority also believed that providing adult offerings for small business owners could improve the overall image of secondary and postsecondary marketing education programs. Furthermore, they believed that a more favorable learning environment could be created for secondary cooperative marketing education students by providing offerings for small business owners. A majority of the respondents also believed that both secondary and postsecondary marketing education personnel should be involved in providing offerings for entrepreneurs. A majority also believed that secondary marketing teachers are in an ideal position to identify the needs of small business owners while pursuing coordination activities. Finally, a majority of the respondents believed that involvement in providing offerings for small business owners could improve the image of both secondary and postsecondary marketing teachers.

Conclusions

Based on the results of the study, several conclusions can be made. First, there is a need to revitalize the national reporting system of enrollments that was suspended in 1983-84. Furthermore, this reporting system should separate postsecondary and adult enrollments and further delineate the types of adult offerings that are being provided. This kind of reporting would be useful for determining the types of adult offerings that are being

emphasized and de-emphasized in marketing education. It could also be used to help determine which direction marketing education should go, with the adult program.

Although, enrollment figures for courses specifically for small business owners were not available, the overall figures do indirectly relate to these offerings. It can be concluded that adult marketing education in general has been de-emphasized since 1963 and that a majority of the states in this country spend very little time on their adult programs.

It can also be concluded that a majority of the states that provide adult marketing education, do so either through postsecondary programs only or through postsecondary and secondary programs. Very few states provide adult offerings only through their secondary programs. Furthermore, most states do provide adult marketing education that is specifically designed for small business owners. The number and magnitude of these offerings, however, is unknown.

The results also support several conclusions regarding the types of offerings that are being provided as well as those that are not being provided for small business owners. It can be concluded that most of the adult offerings for small business owners relate to creating a business image, employee supervision, keeping business records, tax matters, inventory control, computer use, human relations training, and sales training. It can be concluded that very few offerings relate to securing capital needs, employee selection, and estimating the potential of a small business. It can also be concluded that identifying and defining a market, determining capital needs, developing a sales promotion plan, employee training, insurance matters, and credit collections are areas in which a slight majority of states provide adult offerings for small business owners. However, there are a

substantial number of states that do not provide offerings in these areas as well.

Finally, the results of the study indicate that a majority of the supervisors surveyed are supportive of providing adult offerings for small business owners and that providing them can be advantageous to the total marketing education program. Furthermore, the supervisors felt that both secondary and postsecondary marketing teachers should be involved in providing adult marketing education for small business owners.

Recommendations

Based on the results and conclusions of the study the following recommendations are made:

1. A comprehensive reporting system of enrollments and course offerings for marketing education should be revitalize. If the U.S. Department of Education can not provide this service, perhaps the Marketing Education Association could do so.

2. A revitalization of adult marketing education should be made in each state in the country.

3. More emphasis should be given to providing adult offerings for small business owners in the areas of securing capital needs, employee selection; estimating the potential of a small business, identifying and defining a market, determining capital needs, developing a sales promotion plan, employee training, insurance matters, and credit collections.

4. Continued emphasis should be given to providing adult offerings for small business owners in the areas of creating a business image, employee supervision, keeping business records, tax matters, inventory control, computer use, human relations training, and sales training.

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APPENDIX

Table 1

Adult Marketing Education (ME) National Enrollment

Year	Enrollment	Percent of Total ME Enrollment
1979-80*		
1978-79	340,772	36.7
1977-78	316,471	32.9
1976-78	359,252	37.2
1975-76	347,384	38.6
1974-75	356,516	40.8
1973-74	346,352	41.6
1972-73	329,359	44.6
1971-72	274,849	42.9
1970-71	251,097	43.4
1969-70	217,198	41.0
1968-69	307,976	54.6
1967-68	349,730	60.8
1966-67	303,783	63.1
1965-66	301,116	71.6
1964-65	250,222	75.0
1963-64	276,306	82.7
1937-38**	32,408	89.8

* Adult enrollment combined with postsecondary
** First year adult enrollments were reported

Source: Annual Report: Marketing and Distributive Education From a National Perspective by E. L. Nelson, 1985.

Table 2

Responses to Selected Categories

Selected Categories	Percent of Responses
Respondents by Supervisory Levels	
Supervisors for Secondary Programs Only	42
Supervisors for Postsecondary Programs Only	4
Supervisors for Both Secondary and Postsecondary Programs	54
Respondents by the Numbers of Assistants They Work With	
Supervisors With No Assistants	58
Supervisors With One Assistant	18
Supervisors With Two Assistants	12
Supervisors With Three or More Assistants	12
Source of Adult Marketing Education Offerings	
Only Secondary Programs Provide Adult Offerings	4
Only Postsecondary Programs Provide Adult Offerings	44
Both Secondary and Postsecondary Programs Provide Adult Offerings	52
Provide Adult Offerings Specifically for Small Business Owners	
Yes	78
No	22

Table 3

Marketing Education Offerings for Small Business Owners

Specific Offerings	Response % Offered In Past Only	Currently Offer	Have Never Offered
Identifying and Defining a Market	19	58	23
Determining Capital Needs	15	56	29
Securing Capital Needs	15	44	41
Creating an Effective Business Image	15	62	23
Developing a Sales Promotion Plan	19	58	23
Developing Advertisements	17	60	23
Effective Management of Small Business	13	74	13
Employee Selection	27	46	27
Employee Training	29	52	19
Employee Supervision	21	64	15
Merchandising	15	74	11
Keeping Business Records	17	72	11
Insurance Matters	21	54	25
Tax Matters	21	64	15
Inventory Control	23	62	15
Computer Use	11	74	15
Human Relations Training	15	77	8
Sales Training	13	79	8
Estimating Potential of a Small Business	17	48	35
Credit Collections	27	52	21

Table 4
Overall Mean for Each Belief Statement

Belief Statement (N=50)	$\bar{X}$[a]	SD
Marketing education should provide courses/services for adults who have an interest in owning and operating their own businesses.	3.8	.45
Adult courses/services provided for small business owners by secondary marketing education personnel can improve the overall image of the total secondary marketing education program.	3.5	.74
Adult courses/services provided for small business owners by post secondary marketing education personnel can improve the overall image of the total postsecondary marketing education program.	3.8	.49
A more favorable training environment can be created for cooperative marketing education high school students by providing adult courses/services for local small business owners.	3.4	.80
Both secondary and post-secondary marketing education personnel should be involved in providing adult courses/services for small business owners.	3.4	.83
Only secondary marketing education personnel should be involved in providing adult courses/services for small business owners.	1.3	.67
Only postsecondary marketing education personnel should be involved in providing adult courses/services for small business owners.	1.6	.96
Secondary marketing education teachers are in an ideal position to identify the training and development needs of small business owners while pursuing the coordinating activities for the high school program.	3.0	.89
Involvement in adult marketing education courses/services for small business owners can improve the image of the secondary marketing education teacher in the eyes of the business community.	3.4	.70
Involvement in adult marketing education courses/services for small business owners can improve the image of the post secondary marketing education teacher in the eyes of the business community.	3.7	.59

[a] Scale: 1 = Disagree; 2 = Tend to Disagree; 3 = Tend to Agree; 4 = Agree